

**SECRET**

DPD-6873-59

9 October 1959

MEMORANDUM FOR THE RECORD

SUBJECT : Concurrence in Amendment No. 3 to Contract No. SP-1919  
with Lockheed Aircraft Corporation, Burbank, California,  
Project CHALICE (AIR FORCE)

1. This memorandum contains a recommendation submitted for approval of the Deputy Director (Plans). Such recommendation is contained in Paragraph 5.

2. Contract No. SP-1919 covers fabrication of five (5) U-2 Aircraft with the conversion of one aircraft to a two man infra-red configured vehicle. A portion of the IR work is subcontracted to Baird-Atomic, Inc. on a price redeterminable basis. The subcontract will not be redetermined until late calendar year 1959. The parties mutually agreed to transfer the subcontract costs to Contract No. SP-1916 which also carries IR work with Baird of a redeterminable nature. Amendment No. 3 therefore reflects the final redetermined price of \$1,423,000.00 for LAC's work under Contract SP-1919. Details of the settlement are in the attached memo (DPD-6694-59).


3. Amendment No. 3 results in a net decrease of \$855,946.00 which should be liquidated from "No Year" Air Force money obligated during FY 1959. By concurrence to this memorandum the Comptroller signifies that funds have been adjusted as provided above.

4. Certification of funds for this contract will be handled under the procedure approved by the Director of Central Intelligence on 15 December 1956 which, in effect, results in all covert expenses involving issuance of Treasury Checks being accumulated in a separate account within the Finance Division. The amounts in this account will be periodically scheduled for certification of the vouchers by the Director. This procedure eliminates the necessity for a separate certification of authority under Section 8(b) of Public Law 110, 81st Congress, (formerly 10(b) see 85-507 dtd. 7/7/58) for each contract.

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5. Approval of Amendment No. 3 to Contract No. SP-1919 and execution thereof on behalf of the Agency by the authorized Contracting Officer is recommended.

  
Contracting Officer, DPD

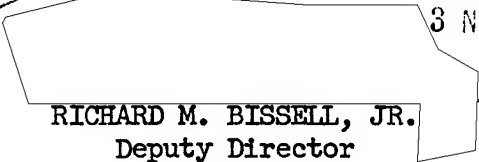
CONCURRENCES:

  
Comptroller, DPD

  
Office of General Counsel

  
COL. WILLIAM A. BURKE  
Acting Chief, DPD

Approval requested in  
Paragraph 5, granted.

  
RICHARD M. BISSELL, JR.  
Deputy Director  
(Plans)

3 NOV 1959

*Contingent on USAF approval  
having been received.*

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